The learned Attorney General in his opinion has stated that after analysing all aspects of the matter, Parliamentary legislation or Parliamentary sanction or approval is not necessary to effectuate the 'in principle' policy decision of disinvestment in HPCL and BPCL and it is open to the Government of India in *bonafide* exercise of its executive power under Article 73 read with Article 298 to reach and implement the said decision.

After receiving the opinion of the Attorney General, Government has *inter-alia* decided in January 2003 to disinvest 35.20% equity shares in Bharat Petroleum Corporation Limited (BPCL) through Offer for Sale to public in the domestic and international market. In addition, it has been decided to offer 5% equity shares in BPCL through Employees Stock Purchase Scheme (ESPS) to the employees.

Post-closure adjustment

1616. SHRI DIPANKAR MUKHERJEE: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the provision for the post-closure adjustments exists in the agreements relating to disinvestment in the unlisted public sector companies;

(b) if so, the disinvested companies where such provision exists; and

(c) the details of the adjustment made so far in the above cases including those where such claims are under consideration?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) and (b) Provisions for post-closure adjustment exist in the transaction agreements signed at the time of disinvestment of Modern Food Industries (India) Ltd. (MFIL), Bharat Aluminium Company Ltd. (BALCO), Paradeep Phosphates Ltd. (PPL), HTL Ltd., hotels of Hotel Corporation of India Ltd., a subsidiary of Air India Ltd. and the hotels of India Tourism Development Corporation (ITDC).

(c) The details in respect of these PSUs are as follows:-

MFIL: Modern Food Industries (India) Limited (MFIL) was disinvested through sale of 74 percent Government equity to Hindustan Lever Limited

(HLL) for a consideration of Rs. 105.45 crore. The post-closing auditors, M/s SR Batliboi & Co., determined an amount of Rs. 23.62 crore as the decrease in current assets between the reference date and the closing date. Based on this, HLL claimed Rs. 17.48 crore (74 percent of Rs. 23.62 crore) towards post-closure adjustment. After scrutiny of the claim, Rs. 12.64 crore has been paid to HLL.

BALCO: Bharat Aluminium Company Ltd. (BALCO) wad disinvested on 2-3-2001 through sale of 51% of Government held equity to M/s Sterlite Industries (India) Ltd. at a price of Rs. 551.50 crore. The post-closing accounts of BALCO have not yet been settled.

PPL: The Paradeep Phosphates Ltd. (PPL) was disinvested on 28-2-2002 at a price of Rs. 151.70 crore through strategic sale of 74% Government equity to M/s Zuari Maroc Phosphates Pvt. Ltd. (ZMPPL). The post-closing accounts of PPL have not yet been settled.

HTL Ltd.: HTL Ltd. was disinvested through sale of 74% equity to M/s Himachal Futuristic Communications Ltd. (HFCL) on 5-12-2001 at a price of Rs. 55 crore. The post-closing accounts of HTL Ltd. have not yet been settled.

HCI: In the case of Hotel Corporation of India Ltd. (HCI), a subsidiary of Air India Limited, two HCI hotels-Centaur Hotel Juhu Beach, Mumbai and Centaur Hotel Airport, Mumbai have been sold on 'slump sale' basis on consideration of Rs. 153 crore and Rs. 83 crore respectively. In another HCI subsidiary hotel-Indo Hokke Hotels Ltd. (Centaur Hotel, Rajgir) 100% equity has been disinvested for Rs. 6.51 crore. Post-closing adjustment has been completed in respect of the subsidiary and the purchaser has been paid an amount of Rs. 4.33 lakhs in settlement of the preferred claim. Post-closing audit reports in respect of the other two hotels are yet to be received by HCI.

ITDC: A statement indicating the position of post-closure adjustment in 19 disinvested hotels project of ITDC is given below.

Statement

Annexure-I

Position of Post-closing Adjustments

India Tourism Development Corporation (ITDC)

Sl. No	Hotel	Purchaser	Closing Date	Amount of claim preferred under post-closure adjustment (Rs.)	Amount of claim admitted and released including date of release (Rs.)
(1)	(2)	(3)	(4)	(5)	(6)
1	Ashok Bangalore (including Airport Restaurant)	Bharat Hotels Ltd.	29.11.2001	6,74,81,722/-	4,98,11,483/- [Released Rs. 2,92,61,483/- on 21.2.03 after setting off Rs. 2,05,50,000/- (50% advance MGAP for 2002-03)]
2	Bodhgaya Ashok	Lotus Nikko Hotels	29.11.2001	67,21,605.54	41,65,178/-
3	Hassan Ashok	Malnad Hotels and Resorts (P) Ltd.	29.11.2001	65,70,661.68	24,59,944/-
4	Madurai Ashok	Sangu Chakra Hotels Private Limited	31.1.2002	70,33,558.66	39,76,892/-
5	TBABR, Mamallapuram	G.R. Thanga Maligai (P) Limited	1.2.2002	87,44,781.36	33,36,380/-
6	Agra Ashok	Shri Mohan Singh	7.2.2002	83,76,640.80	78,55,959/-
7	Laxmi Vilas Palace Hotel, Udaipur	Bharat Hotels Limited	26.02.2002	1,47,77,386.38	1,08,07,868/-
8	Qutab Hotel, New Delhi	Sushil Gupta and Consortium	20.3.2002	4,69,47,597.12	3,09,54,080/-
9	Lodhi Hotel, New Delhi	Silverlink Holdings Ltd. & Consortium	22.3.2002	3,60,71,911.96	2,87,94,622/-
10	Hotel Airport Ashok, Kolkata (including Airport Restaurant)	Bright Enterprises Pvt. Ltd.	8.7.02	11,84,50,927/-	Under examination of ITDC
11	Kovalam Ashok Beach Resort	M. FAR Hotels Ltd.	11.7.02	-	-do-
12	Manali Ashok	Auto Impex Ltd.	15.7.02	Awaited	-
13	Khajuraho Ashok	Bharat Hotels Ltd.	7.8.02	-do-	-

(1)	(2)	(3)	(4)	(5)	(6)
14	Varanasi Ashok	Ramnath Hotels (P) Ltd.	7.8.02	Awaited	-
15	Hotel Aurangabad Ashok (including Airport Restaurant)	Loksangam Hotels & Resorts Pvt. Ltd.	4.9.02	-do-	-
16	Hotel Ranjit, New Delhi	Consortium of Unison Hotels Ltd. & Formax Commercial Pvt. Ltd.	7.10.2002	-	Under examination of ITDC
17	Kanishka, New Delhi	Nehru Place Hotels Limited	8.10.2002	Awaited	-
18	Indraprastha, New Delhi	Moral Trading & Investment Ltd.	8.10.2002	-do-	-
19	Incomplete Chandigarh Project	TAJGVK Hotels & Resorts Ltd.	16.10.2002	-	Not required

Sale of 'Navaratanas'

1617. SHRI K. RAMA MOHANA RAO: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether corporate India is opposed to the strategic sale of profit making public sector 'Navaratanas' as has been suggested by the FICCI President that they be converted autonomous corporation run by the professional management;

(b) whether it is a fact that the value of assets of these undertakings cannot be scientifically evaluated or estimated; and

(c) if so, Government's reaction in this regard?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) No, Sir. However, the President of the Federation of Indian Chambers of Commerce and Industry has made the following suggestions.

* Government should emulate the UK model of privatisation programme, wherein most of the bigger British PSUs were offered to the public rather than to the individual strategic owners.

* Disinvestment should be done through IPO route and Government could think of placing shares in the Newyork Stock Exchange and a good portion in the domestic market with some reservation for employees.